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Fifty-second session
Agenda items 40, 61, 71 and 76
COOPERATION BETWEEN THE UNITED NATIONS
AND THE ORGANIZATION FOR SECURITY AND
COOPERATION IN EUROPE
QUESTION OF CYPRUS
GENERAL AND COMPLETE DISARMAMENT
STRENGTHENING OF SECURITY AND COOPERATION
IN THE MEDITERRANEAN REGION

SECURITY COUNCIL
Fifty-third year

Letter dated 24 April 1998 from the Permanent Representative of the Russian Federation to the United Nations addressed to the Secretary-General

I have the honour to enclose the text of the proposal by the Russian Federation on the demilitarization of the Republic of Cyprus and the maintenance of the security of its inhabitants.

I should be grateful if you would have this letter and its annex circulated as a document of the General Assembly at its fifty-second session, under agenda items 40, 61, 71 and 76, and of the Security Council.

(Signed) S. LAVROV

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ANNEX

Demilitarization of the Republic of Cyprus and maintenance of the security of its inhabitants

Proposal submitted by the Russian Federation

The demilitarization of the Republic of Cyprus is a universally acknowledged key element in a comprehensive settlement of the Cyprus problem.

The purpose of demilitarization, based on the 1977 and 1979 high-level agreements between the Cypriot communities and on United Nations resolutions, is to create in Cyprus an equal level of security for all inhabitants of the island and an atmosphere of genuine mutual trust and cooperation between the two communities within the framework of a Federal Cypriot State.

The demilitarization will be effected by means of an agreed system of international guarantees under the auspices of the Security Council.

Basic principles

(a) The Federal Republic will have no federal armed forces except for a coastguard corps (service). The purposes, composition, strength, armament and deployment areas of the corps (service) shall be determined by a federal law.

(b) The Federal Republic shall not have any reserve forces. There shall be no military or paramilitary training of civilians.

(c) The Federal Republic and each component of the Federation shall have a police force.

(d) The security of the Federal Republic and of the components of the Federation shall be guaranteed.

Implementation measures

1. The achievement, under United Nations auspices and with the participation of the two Cypriot communities, as well as of Greece and Turkey, of agreement on the specific parameters and phases of demilitarization which would include, in particular:

A timetable for the withdrawal, prior to the establishment of the Federal Republic, of all non-Cypriot armed forces whose presence is not provided for by existing agreements;

A timetable for reductions in the strength of Greek Cypriot and Turkish Cypriot units until they are completely disbanded, with their weapons and military equipment being handed over to the United Nations forces for safekeeping;

Halting of the implementation of military construction programmes in both communities and handing over of existing military installations and facilities for use by the civilian authorities;

Cessation of arms purchases.

2. Establishment of an observation and verification committee (commission) with the participation of both Cypriot communities, the guarantor States, the United Nations and the Organization for Security and Cooperation in Europe.

3. The assumption by Turkey and Greece of a commitment to cease completely their military activity in and around Cyprus, to be monitored by the United Nations.

4. Maintenance in force of the 1960 Treaty of Guarantee and Treaty concerning the Establishment of the Republic of Cyprus, with possible agreed additions and amendments relating to the demilitarization of the Republic of Cyprus.

5. Review by the Security Council of the mandate of the United Nations Peacekeeping Force in Cyprus (UNFICYP) in order to reflect the new situation.

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Fifty-second session
Agenda item 61
QUESTION OF CYPRUS

SECURITY COUNCIL
Fifty-third year

Letter dated 27 April 1998 from the Permanent Representative of Cyprus to the United Nations addressed to the Secretary-General

Upon instructions from my Government, and further to my letter dated 21 April 1998 (A/52/875-S/1998/340), I have the honour to draw your attention to the following new violations of the airspace of the Republic of Cyprus and of the flight information region of Nicosia by military aircraft of the Turkish Air Force, which were recorded on 24 April 1998.

On that day, two C-160 and one C-130 aircraft entered the Nicosia flight information region between 0728 and 0847 hours, violating the national airspace of the Republic of Cyprus, flying over the Cape of Apostle Andreas and exiting between 0816 and 0936 hours.

On the same day, between 0912 and 1133 hours, eight F-16 and four F-4 aircraft violated the national airspace of the Republic of Cyprus, entering the Nicosia flight information region, flying over the Cape of Apostle Andreas, then exiting between 0939 and 1200 hours.

During the above violations a Turkish military helicopter was flying over the Cape from 0851 until 1200 hours.

Also on the same day, two RF-4 planes entered the Nicosia flight information region at 1145 hours in violation of international civil aviation regulations, flying along the ceasefire line and exiting at 1236 hours.

On behalf of the Government of the Republic of Cyprus, I wish to protest strongly against these new violations of the sovereignty and territorial integrity of the Republic of Cyprus, which are in complete disregard of the

Charter of the United Nations, the relevant decisions of the Organization on the question of Cyprus and international civil aviation regulations.

I should be grateful if you would have the text of the present letter circulated as a document of the fifty-second session of the General Assembly, under agenda item 61, and of the Security Council.

(Signed) Sotirios ZACKHEOS
Ambassador
Permanent Representative

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S/1998/352
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GENERAL ASSEMBLY
Fifty-second session
Agenda item 37
THE SITUATION IN THE MIDDLE EAST

SECURITY COUNCIL
Fifty-third year

Letter dated 22 April 1998 from the Permanent Representative of Lebanon to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith a copy of the letter addressed to you by Mr. Fares Boueiz, Minister for Foreign Affairs of Lebanon, concerning the position of the Lebanese Government on Israeli proposals regarding implementation of Security Council resolution 425 (1978).

I should be grateful if you would have this letter circulated as a document of the fifty-second session of the General Assembly, under agenda item 37, and of the Security Council.

Accept, Sir, the assurances of my highest consideration.

(Signed) Samir MOUBARAK
Ambassador
Permanent Representative

98-11708 (E) 290498 290498

ANNEX

Letter dated 21 April 1998 from the Minister for Foreign Affairs of Lebanon addressed to the Secretary-General

I should like to express my thanks and sincere appreciation for the concern you demonstrated during your recent visit to Lebanon. I should also like to take this opportunity to inform you of the position taken by the Government of Lebanon with respect to the recent Israeli proposals regarding Security Council resolution 425 (1978), and the background to those proposals, and their political, legal and propaganda aims.

As I am sure you are aware, the Permanent Representative of Israel to the United Nations addressed a letter to the President of the Security Council dated 6 April 1998 (S/1998/301), informing him of decisions adopted on this issue by the Ministerial Committee for National Security of the Government of Israel, and requesting circulation of the letter and its annex as a document of the Security Council.

This document, apart from the media statements issued by the Israeli Prime Minister and Minister of Defence, represents the first official position declared by Israel. However, it was issued not by the Government, but by the Committee for National Security, part of the Government. The Israeli Government itself has not yet issued any clear statement as to its position.

First: the Lebanese Government is convinced of the need to implement the spirit and letter of Security Council resolution 425 (1978), as confirmed by resolution 426 (1978), the executive instrument for the first resolution.

Resolution 425 (1978) is quite clear and unambiguous. The Security Council calls upon Israel immediately to withdraw its forces from all Lebanese territory. No stages are provided for such a withdrawal to the internationally recognized boundaries.

The Security Council attached no security or political conditions to the implementation of this resolution. It provided for no negotiations and allowed Israel no gains or security guarantees at the expense of Lebanese sovereignty. The Government of Lebanon therefore calls upon the Security Council, which adopted the resolution, and Israel, the occupying Power, to implement this resolution as it stands, without attaching any conditions thereto that would change its nature or goals.

Second: the aforementioned letter and the statements made to the media, despite Israeli Government claims to the contrary, do attach a number of conditions to implementation which, if complied with, would fundamentally alter resolutions 425 (1978) and 426 (1978). Such amendments would alter not only the legal and political structure of resolution 425 (1978), but its entire purpose.

The Israeli Government's call for negotiations with the Lebanese Government with a view to putting in place security arrangements and guarantees is merely intended to drag Lebanon into negotiations that will be used to establish the

impossibility of implementing the above-mentioned resolution, and to invalidate its clear and unequivocal binding nature. The intention is also to link the resolution to numerous prerequisites, contrary to the meaning of the resolution. Israel's intention is to remove all the content from the resolution, just as it has done with the Oslo Accords on the Palestinian track, and just as it has reneged on guarantees on the Syrian track.

For Lebanon to accept the principle of negotiating with regard to any resolution adopted by the Security Council, the highest international authority, would bring into question the legitimacy of such resolutions and would certainly be viewed by Israel as an indication that Lebanon was giving way on the content of the resolution. This would justify its abrogation.

The Israeli Government's purpose in making these proposals is not to implement this resolution, but rather to use it as a basis for negotiations with Lebanon on the 17 May 1983 agreement. The proposals make Israel's intentions clear: there are numerous conditions relating to the role of the Israeli militia, restricting the role of the Lebanese army and generally violating Lebanese sovereignty over its own territory.

Israel's second goal, after exacting the principle of negotiation, is to exact the principle of security arrangements and guarantees, however obscure, in order to give Israel the right to impose its own interpretation thereof. Failure to reach agreement on these will lead to implementation of resolution 425 (1978) being frozen. Not only would these measures be used to claim that Lebanon had abandoned sovereignty over its own territory, but if Lebanon accepted them, other Arab parties would subsequently have to accept imposition of the same concepts.

Third: these proposals must be placed in the current political context by noting how the Israeli Prime Minister has dealt with the peace process. After announcing his intention to change the equation of land for peace and to reinterpret Security Council resolutions 242 (1967) and 338 (1973), the Israeli Prime Minister used a two-pronged approach in order to negate the substance of the political issues while using the media to improve his own political image and conceal his intransigence and his determination that the peace process should fail.

Through its commitment to international resolutions, Lebanon insists not only on preserving its own higher interests, as is its right and duty, but on its respect for the credibility of international legitimacy. It also affirms the principle that a Member State of the United Nations such as Israel should not tinker with those resolutions to suit its own domestic or international situation. The Government of Israel is attempting to distort resolution 425 (1978), exploiting the international balance of power to that end and with a view to destroying the comprehensive peace process and distracting attention from the lack of progress made on the remaining tracks.

The parties to the other tracks can have no confidence that the Government of Israel, which calls for negotiations where there should be none, for example with respect to resolution 425 (1978), and refuses to negotiate, when it should,

on resolutions 242 (1967) and 338 (1973), will make any proposals that are innocent of political, legal or propaganda considerations.

Fourth: Lebanon entered the peace process on the basis of implementation of resolution 425 (1978) and on the understanding that negotiations would be held to achieve a just, lasting and comprehensive peace on the basis of resolutions 242 (1967) and 338 (1973). It affirms that it is still pledged to this peace process and its principles.

Any negotiations between Lebanon and Israel can only be on subjects relating to resolutions 242 (1967) and 338 (1973), Arab rights, the situation of the city of Al-Quds, the rights of the Palestinian refugees and a future framework for peaceful relations. Negotiations must be resumed at the point which they had previously reached.

Lebanon is bound by ties of solidarity to the whole Arab world, and in particular to the Syrian Arab Republic, to which it is bound by an agreement on the need for a comprehensive settlement and for rejection of any policy of separation and division such as is practised by Israel.

Security, stability and true peace can be achieved only through the peace process. If this collapses, the region will be drawn into struggles whose consequences are difficult to predict.

I hope that we are in agreement with regard to this issue, since we always depend on your support. We are all concerned to uphold international law, without which international relations cannot be sustained. I stress that if Israel succeeds in its attempts to put pressure on the Security Council with a view to amending resolutions adopted by that body and making them more amenable to Israel's ambitious plans, the pillars of the Security Council, its credibility and continuity, will be destroyed, along with international legitimacy, which will change in accordance with the prevailing balance of power. We therefore depend upon your determination that resolutions should be implemented in letter and spirit as adopted. They must not be distorted or divested of their true content.

(Signed) Fares BOUEIZ
Minister for Foreign Affairs

United Nations

A/52/879

General Assembly

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Fifty-second session
Agenda item 113
Financial reports and audited financial statements, and reports of the Board of Auditors

Implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the period ended 30 June 1997

Report of the Secretary-General

I. Introduction

1. The General Assembly, in paragraph 7 of its resolution 48/216 B of 23 December 1993, requested the Secretary-General to report to it, at the same time as the recommendations of the Board of Auditors were submitted to the Assembly, on measures taken or to be taken to implement those recommendations.

2. Accordingly, the present report responds to the recommendations of the Board made in its report on the accounts of the United Nations peacekeeping operations for the 18-month period ended 30 June 1997.[1] This response is based on the assumption that all such recommendations would be approved by the General Assembly at its current session. Information is provided on measures taken or to be taken to implement the recommendations.

3. In preparing the present report, account was also taken of the provisions of the following General Assembly resolutions:

(a) Resolutions 49/216 B (in particular those of paras. 3 and 4 regarding non-expendable property), and 49/216 C of 23 December 1994 (in particular para. 3 regarding qualification by the auditors of the financial statements of United Nations peacekeeping operations);

(b) Resolution 50/204 A of 23 December 1995 (in particular the provisions of para. 4 regarding implementation of the Board's recommendations);

(c) Resolution 52/1 of 15 October 1997 (in particular the provisions of sect. II, para. 4, regarding the continued development of the field mission logistics system as it relates to the transfer of assets to the United Nations Logistics Base at Brindisi).

II. Implementation of recommendations contained in paragraph 10 of the report of the Board of Auditors

4. In paragraph 10 (a), the Board recommends that:

"The value of pending arbitration claims against peacekeeping operations be disclosed in the notes to the financial statements in accordance with the requirements of the United Nations accounting standards, since those claims constitute contingent liabilities (para. 11 (a) (iii))".

98-12315 (E) 080598

5. It is quite difficult to ascertain the exact amount of claims under arbitration. Experience has shown that, for various reasons, such as the fact that they may be spurious, inflated or have associated with them counterclaims of the Organization, many claims under arbitration reflect significantly higher amounts than any final settlements. Once the final obligation amounts are known, provisions are made in the accounts to cover them. While the Secretariat will continue to give due consideration to this recommendation, it presently feels that any further reporting of such claims could send the wrong signal to the parties involved.

6. In paragraph 10 (b), the Board recommends the following:

> "For accurate financial reporting, provision should be made in the financial statements for delays in the collection of assessed contributions in accordance with the requirements of the United Nations accounting standards (para. 11 (b) (iii))".

7. As pointed out by the Board of Auditors, assessed contributions are legally binding on Member States and can only be written off upon approval by the General Assembly. The assessed contributions are reflected in the financial statements as part of overall income for the period to which the accounts relate. Contribution schedules supporting the financial statements disclose both contributions received and those still outstanding. Furthermore, the notes to the financial statements disclose information on any Member State that has indicated its intention not to participate in the financing of a particular peacekeeping mission. Such disclosure would appear sufficient to address the concerns raised by the above recommendation.

8. In paragraph 10 (c), the Board recommends that:

> "The Administration should establish suitable lead times for submission of requisitions to enable vendors to respond to bids and should monitor compliance with the established lead times (para. 49)".

9. The Secretariat attempts to offer suitable lead times to permit the participation of as many qualified vendors as possible. However, in certain circumstances, such lead times are not practical and must be shortened in order to accommodate immediate operational requirements. In such cases, the procurement sections would resort to pre-qualified or known suppliers for the requisitioned goods and services. The Secretariat will continue to offer suitable lead times wherever practicable.

10. Paragraph 10 (d) contains the following recommendation of the Board:

> "To avoid delays in the award of contracts, the Administration should set clear deadlines for the technical evaluation and other internal review processes (para. 56)".

11. In the body of its report, the Board states that undue delays in the evaluation of bids had led to the renewal of existing contracts without resorting to bid and this, in some cases, had resulted in additional costs to the Organization.

12. In the example cited in the Board's report, requests for proposals for three missions were consolidated for the first time and savings eventually realized. As extra time was needed by Headquarters to coordinate with the missions to make proper preparation of the tender covering their combined requirements, the existing separate contracts were extended, thus postponing the savings. This situation was unavoidable.

13. In general, the option of rebidding of contracts for peacekeeping operations is exercised. However, annual rebidding for its own sake, in particular for complex requirements such as rations and logistics support, may prove more costly than renewal. The costs of mobilization of and handover to the new contractor are significant in this type of contract. The whole question of rebidding versus renewal of contracts for peacekeeping requirements is now being addressed by a working group comprising representatives from the Department of Peacekeeping Operations, the Department of Management and the Office of Legal Affairs. The working group is to recommend guidelines for the Headquarters Committee on Contracts.

14. The Board recommends in paragraph 10 (e) of its report that:

> "The Administration should establish a global procurement planning process in order to avoid unwarranted extensions of contracts and also to benefit from economies of scale where possible (para. 59)".

15. The Secretariat is in the process of completing system contracts in circumstances where this is feasible. So far, such contracts for vehicles, rations and other supplies have been approved. As part of the global procurement planning process, missions have been asked to submit their procurement requirements for the forthcoming budget cycle. These requirements will be evaluated at Headquarters with a view to establishing other system contracts where possible.

16. In paragraph 10 (f), the Board recommends that:

> "The Department of Peacekeeping Operations (DPKO), in conjunction with UNPREDEP and MONUA, the successor mission to UNAVEM III, should investigate the circumstances that led to

avoidable expenditures incurred by the two missions and take appropriate action (para. 65)".

17. In paragraph 10 (g), the Board recommends that:

"The Administration should emphasize to MONUA the importance of full compliance with established procedures relating to procurement (para. 67)".

18. The circumstances in the two missions have been investigated. The Department of Peacekeeping Operations has taken steps to ensure that missions scrutinize invoices more meticulously and reconcile them with evidence of actual usage in advance of processing payments under contracts. The United Nations Observer Mission in Angola (MONUA) is now operating with a new complement of procurement staff. All missions have been advised of the Board's concerns and cautioned on the need for full compliance with established procedures relating to procurement.

19. Headquarters has sent out reminders to missions delineating the strict requirements for submitting to the Headquarters Committee on Contracts their *ex post facto* cases for which the mission chief administrative officers would be held personally responsible.

20. In paragraph 10 (h), the Board recommends the following:

"In order to facilitate claims processing and to ensure proper monitoring and accurate payment of claims, the Administration should review its computerized systems on letters of assist to ensure that they are coordinated and provide accurate data capture and reliable information flow (para. 74)".

21. Representatives of the Department of Peacekeeping Operations and the Integrated Management Information System (IMIS) project have recently been working to make more compatible their parallel records relating to letters of assist. IMIS enhancements will track the issuance, pre-encumbrance and settlement of letters of assist. Work in progress, or certifications prior to final payment, will be tracked separately by offices in the Department of Peacekeeping Operations. Regular review will be carried out in order to reconcile the two records and avoid over-certification.

22. In paragraph 10 (i), the Board recommends that:

"The Headquarters Committee on Contracts should not consider letters of assist on an *ex post facto* basis; the Administration should clearly define the circumstances in which non-letters of assist claims can be accepted (para. 79)".

23. The guidelines issued to troop-contributing countries present clearly the administrative and financial requirements for the provision of services under letters of assist. All missions have been duly reminded of the need to ensure that the provision of additional services must receive prior approval from Headquarters. The Department of Peacekeeping Operations has established a list of the circumstances under which non-letters of assist claims may be accepted and has disseminated that requirement to all missions. With the introduction of new reimbursement procedures for contingent-owned equipment under the wet/dry lease system, letters of assist requirements will be reduced, as will the exceptional circumstances under which claims may be admissible. The above will keep to a minimum requests to the Headquarters Committee on Contracts for approval of letters of assist on an *ex post facto* basis.

24. In paragraph 10 (j), the Board recommends that:

"The process of liquidation of peacekeeping missions should be accomplished within the shortest possible time in order to minimize costs; this should include a plan clearly identifying the time-frame for the completion of the outstanding tasks in all missions in liquidation, which should be closely monitored by the Department of Peacekeeping Operations (para. 136)".

25. Guidelines have been prepared and distributed to all missions in or nearing their liquidation phase. Those guidelines are now being reviewed in the light of experience being gained during the liquidation of United Nations Peacekeeping Forces headquarters (UNPF) and will be disseminated once revised. It is the objective of the Department of Peacekeeping Operations to keep for up to six months as many experienced staff as possible in missions in order to complete as many tasks as possible in the field prior to releasing them to Headquarters.

26. In paragraph 10 (k), the Board recommends the following:

"For more effective control, missions in liquidation should undertake a physical inventory of non-expendable property prior to their disposal in accordance with the provisional liquidation guidelines (para. 150)".

27. The field asset control system recently approved by the General Assembly in its resolution 52/1 will enable management at Headquarters and in the field to have a near-

real-time, global view of the full scope of peacekeeping assets and has already made a positive contribution to maintaining inventory control. Additionally, a physical inventory of all assets, both non-expendable and expendable, is now carried out in connection with all liquidations.

28. In paragraph 10 (l), the Board recommends that:

> "The Administration should review the entire process regarding write-off of non-expendable property, from the mission level to finalization at Headquarters, in order to reduce the extent of delay (para. 154)".

29. Representatives of the Department of Peacekeeping Operations and the Department of Management are currently engaged in a comprehensive review of the property survey board process. Proposed changes include enhanced records management systems, which will be transferred to missions upon successful implementation at Headquarters. Furthermore, under procedures now in place, missions have been given higher levels of financial authority and accountability as regards United Nations-owned equipment in order to enable them to finalize more cases locally.

30. In paragraph 10 (m), the Board recommends that:

> "The Department of Peacekeeping Operations should ensure that before assets are transferred from a liquidating mission, appropriate evaluation is conducted to avoid the transfer of unserviceable property at additional cost to the Organization (para. 165)".

31. As stated in the Secretary-General's report of 21 May 1997 on the financing of the United Nations Logistics Base at Brindisi (A/51/905), the Secretariat has established a policy providing for the transfer to the Logistics Base of only those assets which have at least two years' useful life remaining and are serviceable or repairable at not more than 30 per cent of their depreciated value. Chief administrative officers of missions are also required to confirm that the provisions of the policy have been adhered to. That policy was endorsed by the Advisory Committee on Administrative and Budgetary Questions in its report of 30 September 1997 (A/52/407) and approved by the General Assembly in its resolution 52/1.

Notes

[1] *Official Records of the General Assembly, Fifty-second Session, Supplement No. 5* (A/52/5), vol. II, chap II.

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QUESTION OF CYPRUS

SECURITY COUNCIL
Fifty-third year

Letter dated 30 April 1998 from the Permanent Representative of Cyprus to the United Nations addressed to the Secretary-General

Upon instructions from my Government, and further to my letter dated 27 April 1998 (A/52/877-S/1998/348), I have the honour to draw you attention to new violations of the national airspace of the Republic of Cyprus and of the flight information region of Nicosia by military aircraft of the Turkish Air Force, which were recorded on 28 and 29 April 1998.

On those two days, eight Turkish military planes entered the Nicosia flight information region in violation of international air traffic regulations: two F-16 on 28 April 1998 between 1939 and 2000 hours, and on 29 April 1998, two F-16 between 0900 and 0932 hours, two RF-4 between 1153 and 1220 hours and two F-16 between 1451 and 1517 hours. Four of those aircraft violated the national airspace of the Republic of Cyprus flying above and along the area of Morphou, Kyrenia and the Cape of Apostle Andreas.

As stated in my previous letters, such unauthorized intrusions into the Nicosia flight information region and the national airspace of the Republic of Cyprus are in complete disregard of the Charter of the United Nations, as well as the provisions of the Security Council resolutions on Cyprus, which state that such overflights increase political tension on the island and undermine efforts towards achieving a final settlement and violate international air traffic rules. It should be noted that the recently intensified provocative Turkish violations come at a time of renewed efforts aimed at breaking the impasse in the intercommunal talks, and create doubts about Turkish political will for the success of those efforts.

On behalf of the Government of the Republic of Cyprus, I wish to protest strongly against these new violations of the sovereignty and territorial integrity of the Republic of Cyprus.

I should be grateful if you would have the text of the present letter circulated as a document of the fifty-second session of the General Assembly, under agenda item 61, and of the Security Council.

(Signed) Sotiros ZACKHEOS
Ambassador, Permanent Representative

United Nations A/52/881

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Fifty-second session
Agenda items 114 and 143

Review of the efficiency of the administrative and financial functioning of the United Nations

Report of the Secretary-General on the activities of the Office of Internal Oversight Services

Note by the Secretary-General

1. Pursuant to General Assembly resolutions 48/218 B of 29 July 1994 and 52/8 of 31 October 1997, the Secretary-General has the honour to transmit, for the attention of the General Assembly, the attached report, conveyed to him by the Under-Secretary-General for Internal Oversight Services, on the audits of the procurement process at the United Nations Angola Verification Mission.

2. The Secretary-General is pleased to note that measures have been taken or initiated to correct the issues addressed in the review.

3. The Secretary-General takes note of the report's findings and concurs with its recommendations.

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Annex

Report of the Office of Internal Oversight Services on the audits of the procurement process in the United Nations Angola Verification Mission

Summary

Introduction

Pursuant to General Assembly resolution 52/8, the present report is submitted to provide insight into the procurement process at the United Nations Angola Verification Mission (UNAVEM).

In December 1995, the UNAVEM administration requested an internal review committee, also referred to as the "commission", to conduct an internal examination of certain procurement activities. As a result of the commission's report, in May 1996, the Director, Field Administration and Logistics Division, the Department of Peacekeeping Operations, had requested that UNAVEM III procurement activities be reviewed by the Office of Internal Oversight Services (OIOS). Subsequent OIOS audits of the Mission by a visiting audit team during June 1996 and May-June 1997 and by the resident auditor during the periods from August 1996 to April 1997 and from August to December 1997 gave special attention to the procurement process. The results of the audits were communicated to the Mission and to the Department of Peacekeeping Operations and followed up.

Results in brief

The audits disclosed serious management deficiencies and apparent breaches of financial regulations and rules as well as improprieties and irregularities in the procurement process, which in some cases resulted in significant losses to the Organization. Weaknesses in the management and control of procurement operations created a climate that may have fostered fraud and financial abuse.

The most significant findings were as follows:

- In several instances, the Mission's Procurement Section interfered in the requisitioning process, resulting in splitting of requisitions and lengthy delays in processing. The splitting of requisitions allowed bypassing of the normal procurement procedures and of scrutiny by the Local and Headquarters Committees on Contracts. The delays in processing of requisitions resulted in rush purchases without providing adequate opportunity for competition among a wide range of suppliers;

- A large number of requisitions were raised for goods and services that were not essential or urgently needed. The Mission did not enter into financial commitment, however, and such requisitions involving more than $15 million were later cancelled;

- Some goods were procured from a restricted group of middlemen, at higher prices, under doubtful circumstances. Goods and services were procured, and payments made, without following the established procedures for procurement and without issuing purchase orders;

- In one case of hiring of an aircraft, there were serious irregularities; the contract was cancelled, however;

- A delegation of authority to the Mission for procurement of goods valued at $7 million, on grounds of urgency, proved to be unwise. There were deficiencies in the contract and delayed, sub-standard and short supplies were accepted. Payments were made after a "quality deduction" of only $84,000, as against a possible total deduction of at least $264,000 on account of the poor contractual performance of the vendor. In addition, the Organization sustained significant indirect losses;

- The Mission paid $667,000 for stevedoring charges in connection with the sea-lift of contingents and contingent-owned equipment, which should have been the responsibility of the vessel operators; full recovery action is being taken by the United Nations Mission in Angola (MONUA);

- There were administrative lapses in not renegotiating the rental charges for buses provided by a contractor, with capacities below those stated in the quotation and the contract; the possibility of recovery action is being explored by MONUA;

- An excessive obligation of more than $112,000 for the rental of accommodation facilities was averted upon the advice of the resident auditor;

- Transportation and related services were procured, and payments of $677,000 were made, without following the applicable financial regulations, rules and procedures.

Recommendations and remedial actions

In summary, OIOS recommended that:

- Individual accountability for the improprieties, irregularities and losses, as well as the lack of control in the procurement operations of the Mission, be determined for appropriate action, including invoking financial rule 114.1 for the recovery of losses, where justified;

- The Mission's Procurement Section be revamped, replacing officials of doubtful integrity, and the receiving and inspection function strengthened;

- The Mission's internal controls be strengthened, in particular with regard to monitoring the processing of requisitions and management review of individual procurement actions.

OIOS was informed as follows:

- *A number of boards of inquiry have been established by the Mission to review the circumstances of the procurement irregularities. The investigation and review of misconduct continues to be undertaken in order fully to determine the accountability of individuals for the purpose of instituting disciplinary proceedings;*

- *In order to address the failings, a new Chief Procurement Officer was assigned and other staff replaced. Measures have been introduced to strengthen internal controls, improve transparency and reduce the time taken to process requisitions. The terms of reference of the Senior Administrative Officer were amended to include a management review function to improve procedures further;*

- *The re-registration of vendors has been initiated to ensure that suppliers of doubtful quality are not utilized. Greater transparency has also been introduced into the procurement process to ensure that purchases are properly authorized and justified.*

OIOS appreciates the initiative of the Mission and the Department of Peacekeeping Operations with regard to the audits of the procurement process in the Mission, their timely response to the audit findings and their actions for the implementation of the recommendations, all of which have contributed to improvements in the process.

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I. Introduction

1. The present report was prepared in response to General Assembly resolution 52/8 of 31 October 1997, in which the Assembly requested the Secretary-General to entrust to the Office of Internal Oversight Services (OIOS) the preparation of a report to the Assembly on the audit findings on the procurement process in the United Nations Angola Verification Mission (UNAVEM III). While the administration is expected to submit a written report to the Assembly on efforts to recover losses and corrective measures taken, OIOS has included, in the present report, available information on such efforts and on remedial action taken so far.

2. In December 1995, the UNAVEM administration requested an internal review committee, also referred to as the "commission", to conduct an internal examination of certain procurement activities. As a result of the commission's report, in May 1996, the Director, Field Administration and Logistics Division, Department of Peacekeeping Operations, had requested that UNAVEM III procurement activities be reviewed by OIOS. Accordingly, special attention was given to the procurement operations in the audits conducted subsequently. There were two audits of the Mission during June 1996 and May-June 1997 by a visiting audit team, in addition to the audits conducted by the resident auditor. In all, four audit reports were issued to the Field Administration and Logistics Division during the period from October 1996 to January 1998. A draft of the present report was submitted to the Department of Peacekeeping Operations on 20 February 1998 and the Department's comments on it were received on 9 April 1998. Comments received from the Department and the Mission have been reflected throughout this report and are identified by the use of italics.

II. Processing of requisitions

3. The audit team found that, in several instances, the Mission's Procurement Section had interfered in the requisitioning process, resulting in splitting of requisitions and badly delaying the processing of requisitions. The splitting of requisitions allowed bypassing of the normal procurement procedures and scrutiny by the committees on contracts. The delays in processing of requisitions resulted in rush purchases without providing adequate opportunity for competition among a wide range of suppliers. *There were several "rush buying trips" to South Africa, involving more than a million dollars on each occasion.*

4. *The Mission acknowledged that the Procurement Section did not process requisitions with the timeliness and care expected of a professional procurement section and, as a result, the Mission and the Organization had suffered through exigent procurement exercises that definitely reduced the likelihood that required goods and services would be acquired at the lowest prices possible. The Mission stated that it was introducing procedures in an attempt to prevent delays and avoid improprieties in processing requisitions. Regarding the splitting of requisitions, the Department of Peacekeeping Operations clarified:*

> *"Some of the cases reflect the necessity to split the different requirements in an aggregate requisition in order to target the procurement to the specialized vendors, or to reflect the different sources of funding ... True, as a result, especially in the second case, economies of scale could not be achieved."*

5. During a subsequent audit, the audit team noted that, as at 30 May 1997, there were 412 requisitions awaiting procurement action, most of which did not appear to be valid. After a review carried out by the requisitioners during the period of audit, the number was reduced to 132 as at 18 June 1997. The corresponding reduction in requisition value was more than $15 million. Although the Mission had not yet entered into financial commitment, it was clear that the requisitions that had been cancelled were initially raised for goods and services that were not essential or urgently needed.

6. OIOS recommended that the successor United Nations Mission in Angola (MONUA) ensure that the validity and priority of requisitions were properly assessed.

III. Vendor roster

7. The UNAVEM commission had gathered strong evidence that the Mission's Procurement Section frequently awarded large contracts to a restricted group of "suppliers" in South Africa, who acted only as middlemen, thereby increasing the prices of the goods purchased, because of the mark-up for commissions. The commission had observed:

> "It would appear that the association of the Chief Procurement Officer and some of his staff ... with the above suppliers is not above board, and extends beyond professional contacts. The close and familiar relationships between the Procurement Section and these suppliers appear to have been formed prior to UNAVEM, in the peacekeeping missions in Mozambique and Rwanda."

According to the commission, "there is evidence to suggest that the procurement staff benefited from the efforts of suppliers and vendors to lure UNAVEM".

8. *The Mission indicated:*

> *"In order to address the issue of the apparent restriction of the bidding process to limited supply sources, management has ... instructed the Procurement Section to proceed with the conduct of a re-registration exercise of eligible vendors in the region, on the basis of a general notification."*

9. OIOS recommended that the proposed re-registration of vendors be completed promptly and satisfactorily, within a target date to be determined by the Department of Peacekeeping Operations and, in that process, vendors of doubtful credentials be entirely weeded out. OIOS was advised:

> *"Since June 1996 the UNAVEM III Procurement Section has been engaged in the process of registering new vendors from South Africa and, in parallel, has been identifying existing vendors of dubious quality. Several firms are expected to be expunged from the list."*

As part of this exercise, the Procurement Section has also reportedly utilized the vendor roster provided by the Headquarters Procurement Division.

10. While the re-registration exercise was expected to be completed by January 1997, the audit team noted, during the subsequent audit (May-June 1997), that the Mission's vendor list had not yet been updated. *The Mission stated:*

> *"Despite the efforts of buyers over the past 12 months to expand the number of vendors invited to tender, replies continue to arrive generally from trading companies (i.e. 'middlemen') that are willing to accept the financial risk inherent in doing business with the Mission, which possesses a well-known reputation for slow payment and resides in a country where long delays and losses of goods are encountered while clearing customs."*

11. OIOS recommended that the Chief Procurement Officer of MONUA take appropriate action to create a reliable vendor roster, as soon as possible.

IV. Procurement

A. Air charter services

12. On 1 November 1995, the Mission's Chief Procurement Officer signed a contract with an airline for air charter services costing $175,000. The contract had to be cancelled on 20 November 1995. The UNAVEM commission was established in particular to review the procurement action in that case. The commission had found that the contract had been signed by the Chief Procurement Officer even though there was no formal recommendation of the Local Committee on Contracts and approval by the Director of Administration; the purchase order was issued prior to receiving an authorized requisition; the requisition was certified without ensuring availability of funds; aviation specialists were not involved in the procurement exercise; the Department of Peacekeeping Operations did not authorize the procurement action; adequate time was not allowed for submission of quotations/bids; the aircraft was accepted despite the fact that it did not meet the specifications; and the Chief Procurement Officer had received an unsolicited proposal from "an unknown operator" with whom the contract had been concluded. OIOS could not agree with the statement of the commission in its report that the Chief Procurement Officer had signed the contract "in good faith", as it could not be reconciled with the report in its entirety.

13. OIOS recommended that the accountability for the irregularities be determined based on the entire report of the commission, for suitable action, including recovery of any loss eventually incurred by the Organization. *The Mission advised that:*

> *"Based on the information contained in the UNAVEM commission's report, the Mission's former Chief Procurement Officer appears to be fully accountable for all the irregularities observed by OIOS in this affair. The Field Administration and Logistics Division may therefore take whatever administrative or disciplinary action it deems appropriate under the circumstances. Please note that no claim has been lodged against UNAVEM III by ... Airlines. Should any claim ever be raised by ... (and we doubt that eventuality), then we shall immediately refer the matter to a board of inquiry to determine culpability."*

Later, in August 1997, the Department of Peacekeeping Operations advised: "The matter is under investigation and should not be pre-judged. The personnel involved need to be given an opportunity to express their views."

B. Purchasing trips to South Africa

14. Admittedly, there were irregularities in a purchasing trip to South Africa, undertaken during September-October 1995 and involving purchases totalling $1.5 million. A procurement assistant had reportedly informed the UNAVEM commission that "he was delegated authority by the Chief Procurement Officer to independently receive and evaluate bids and award contracts to suppliers, without the local committee on contracts process, up to $200,000 per contract for a total of $1.5 million". As a result, contracts were awarded mostly to a restricted group of vendors.

15. Another purchasing trip to South Africa in March 1996 involved purchases totalling $1.4 million. On that trip, the Chief Procurement Officer was to be assisted by the procurement assistant referred to in paragraph 14 (whose earlier dealings in South Africa, according to the UNAVEM commission, were "not above board") and a representative of the Mission's Building Engineering Section. The latter representative was to inspect the items held in stock by the vendors for immediate delivery and confirm if they conformed to specifications. If such was not the case, the Chief Procurement Officer was allowed to select another vendor on his own, thereby bypassing normal procedures. Some of the individual purchases involved amounts in excess of $100,000. Thus, the Chief Procurement Officer was given extraordinary authority, despite the fact that there had been earlier serious allegations necessitating a commission to review the procurement actions in South Africa. Finally, the goods were held up for more than four weeks awaiting inspection, negating the need for the accelerated purchasing exercise.

C. Procurement of goods for quartering areas

16. A review by the resident auditor showed that a delegation of authority to the Mission in May 1995, on grounds of urgency, for procurement of tents, mattresses, blankets, clothing, utensils and so on valued at $6.9 million, required in connection with the establishment of quartering areas, proved to be unwise. A purchase order was issued on 20 July 1995 to a company engaged primarily in general trading and car sales. There were, among other things, omission of a requirement in the request for bids to indicate the delivery schedule; failure to obtain a performance bond, contrary to the recommendation of the Headquarters Committee on Contracts; and acceptance of delayed, sub-standard and short supplies. For instance, some of the tents required in August 1995 were supplied as late as November 1995. Hence, the rush purchase was apparently not justified. Although the decision to use the material supplied, in spite of its not conforming to the requisitioned specifications, was justified under the circumstances explained by the management, OIOS noted that payments were finally made after a "quality deduction" of only $84,000, as against a possible total deduction of at least $264,000 on account of poor contractual performance of the vendor. In addition, the Organization sustained significant indirect losses.

17. *Regarding the indirect losses, the Mission stated that it had "had to use $980,000 from the South African donation to upgrade the tents and make various alternative procurements" and that "this money could have been used for other purposes". The Mission acknowledged that the local procurement action in this case had been "poorly handled" and "established receiving and inspection procedures were not consistently followed and related actions were not taken". The Department of Peacekeeping Operations stated in April 1998 that only a small portion of the South African donation had been used in order to supplement or replace supplies that were only intended to be used for a three-month period, but were actually used for an extended period.*

D. Payment of clearing agent's fees

18. In another case, the resident auditor noted overpayment of clearing agent's fees, in July 1996, to the vendor referred to in paragraph 16. *The Mission indicated that a review had revealed irregularities and duplicate payments, that the payments of clearing fees had been referred to the board of inquiry, which was already examining certain issues related to the vendor, and that the Procurement and Finance Sections were being instructed to refrain from any further payments pending the outcome of the board's review.*

19. OIOS recommended that the inquiry initiated by the Mission be expedited and follow-up action taken promptly. However, OIOS was advised in January 1998 that the board of inquiry had not completed its deliberations.

E. Rental of buses

20. After processing the procurement action to rent nine 48/55-seater heavy-duty buses (minimum total seating capacity of 432) to transport the Mission's staff and the service contractor's personnel, the Mission entered into a

contract with a vendor in March 1996, at the rate of $7,800 per bus per month. The vehicles provided by the vendor, however, had a seating capacity of only 31 each, or 279 in total. The Mission had to rent two additional buses at an extra cost of $109,000, since the available nine buses were heavily overcrowded and represented a safety hazard. The resident auditor felt that it was necessary to determine responsibility for entering into a contract to rent 48/55-seater buses and not reducing the contract price when the vendor provided only 31-seater buses, as this had entailed total excess payment of more than $241,000, including the cost of rental of two additional buses.

21. *Acknowledging that "this is yet another case that was poorly handled under the previous Procurement Management" the Mission stated:*

> *"It is unfortunate that Procurement overlooked the fact that the Transport Section had mentioned a seating capacity of 31 for ... buses in the technical evaluation report. Procurement did not realize that the actual seating capacity of the buses (31) neither matched the specifications of the invitation to bid, nor ... [the vendor's] quotation, which explicitly indicates a price for 48/55-seater buses. It is assumed that owing to oversight Procurement did not renegotiate the price with the contractor, and did not request that the additional two buses be provided free of charge. In accordance with common business practice, a claim against ... [the vendor] would not be successful at this point in time, because the smaller buses were tacitly accepted and the present arrangement has been in effect for over nine months."*

22. OIOS recommended that responsibility be determined for the lapses and the losses in this case, for appropriate action. *OIOS was advised in January 1998 that the Field Administration and Logistics Division "has concluded that primary responsibility for the oversight and losses in this case rests with the Chief Procurement Officer for not having renegotiated the rental charges with the contractor vis-à-vis the capacity and number of buses". Subsequently, in April 1998, OIOS was informed that the same contractor was providing the service to MONUA and that the Mission was exploring the possibility of recovering the amounts.*

F. Payment of stevedoring charges

23. Arrangements for the sea-lift of contingents and contingent-owned equipment are made by the Field Administration and Logistics Division, Department of Peacekeeping Operations, through contracts or letters of assist. The Division's Sea Transport Unit had clarified that stevedoring charges were routinely included in all such contracts and letters of assist. The Government of Angola authorities had also indicated in March 1996 that the Mission was not liable to pay the charges, which were instead payable by the vessel operators at a rate promulgated by the Government. However, the resident auditor noticed that the Mission had paid $667,000 during 1996 for stevedoring charges in connection with the sea-lift of contingents and contingent-owned equipment. This included $636,000 in stevedoring charges out of a total amount of $868,000 in port charges paid in July 1996.

24. *The Mission advised that recovery action had been initiated in one case (involving $31,000) and agreed to take necessary action in the remaining cases (involving $636,000) and to ensure effective coordination with the Field Administration and Logistics Division in the future.*

25. OIOS recommended that the Field Administration and Logistics Division ensure recoveries wherever due and establish effective coordination with missions with regard to administration of such contracts. *The Department of Peacekeeping Operations indicated in August 1997 that the Division was assisting the Mission to recover the funds. Subsequently, in April 1998, OIOS was informed that the recovery was in progress.*

G. Procurement of accommodation facilities

Inflated requirements

26. In order to renew the Mission's accommodation leases for the period from 1 January to 30 June 1997, a requisition was raised on 6 November 1996 for 49 two-bedroom houses at the "Araujo" Complex in Luanda, for a total cost of $690,000. Based on the requisition, the Mission's Procurement Section presented the case to the Local Committee on Contracts at its meeting of 12 November 1996. However, the resident auditor noticed that the requirement at "Araujo" was for only 41 houses. This was brought to the attention of the Procurement Section and the Contracts Committee. Subsequently, the requisition was revised and the award of the related contract was reduced to $578,000, resulting in a saving of more than $112,000. Although it was stated that there was an arithmetical error in the requisition, a detailed scrutiny by the resident auditor revealed that it was a case of over-requisition, which would have resulted in excess obligation. *The Mission indicated that "management appreciates the direct assistance provided by the resident auditor in the present case to avert excess obligation of funds".*

H. Payments for transportation and related services

27. The Mission entered into a contract with a vendor on 12 May 1995 for the provision of transportation and related services in Luanda and Lobito for a six-month period ending 11 November 1995 at a total cost not to exceed $194,000. The resident auditor observed that the requirement for those services had not been properly estimated and that payments of more than $191,000 had been made to the vendor within the first two and a half months of the contract. Without obtaining the advice of the Headquarters Committee on Contracts as required under financial rule 110.17 (g), additional payments had been made. The total payments under the contract were $677,000. Additional requisitions for the services had been raised long after the expiration of the contract in order to pay the invoices submitted by the contractor. The presentation of the case was mishandled and delayed. During its deliberations in July 1997, the Local Committee on Contracts asked the Mission's Procurement Section to prepare a chronology of the case, on the basis of which it was to decide "whether the case was handled in the interest of the Organization or whether the case should be recommended for investigation by a board of inquiry". Even after a lapse of more than two years, the case had not been presented to the Headquarters Committee on Contracts.

28. *The Mission stated that proper procedures had not been followed, that the Procurement Section had failed to fulfil its control function and that the Field Administration and Logistics Division should have been alerted to the problem. It was added that procurement activities at that time were characterized by numerous weaknesses and irregularities.*

29. OIOS recommended that the case be examined with a view to ensuring that appropriate action is taken, including, if necessary, institution of an inquiry. *In April 1998, OIOS was advised that this had finally been approved by the Headquarters Committee on Contracts as a partial ex post facto case, after several rejections.*

I. Provision of services at Viana

30. The resident auditor's review of case files relating to the provision of bulk water supply, sewage and garbage disposal and the supply of butane gas at Viana Transit Camp and Viana Logistics Base during the period from May to November 1995 revealed several irregularities. In violation of financial rule 110.16, which stipulates that contracts for purchase of goods and services shall be entered into only by officials authorized for the purpose, the Chief Procurement Officer procured such services, which involved a financial commitment well above his authorized limit of $70,000. Further, no effort was made to obtain the prior advice of the Local Committee on Contracts as required under financial rule 110.17. It was only in September 1997 that the case was submitted to the Local Committee on Contracts, ex post facto, to facilitate payment of the vendor's invoices, which amounted to approximately $171,000. The Committee requested the Procurement Section to provide additional information and deferred the case.

31. *Acknowledging that the case had not been handled in accordance with prescribed procedures, the Mission stated that "responsibility for non-compliance with established procedures will have to be shared by six Chiefs of Procurement who handled the case file between 1995 and March 1997". Subsequently, the Department of Peacekeeping Operations advised that the case had been approved by the Local Committee on Contracts on 26 January 1998.*

V. Recommendations and remedial action

32. As has been brought out in this report, there were serious management deficiencies and apparent breaches of financial regulations and rules as well as improprieties and irregularities in the procurement processes, which in some cases resulted in significant losses to the Organization. Weaknesses in management and control of procurement operations created a climate that may have fostered fraud and financial abuse.

33. *The responses of the Mission to the results of the audit conducted in June 1996 also made clear its concern for "the near breakdown and questionable practices that prevailed within the procurement process in the Mission" and indicated that, among other things, "management is reviewing the procurement process, system, staffing and structure".*

34. In summary, OIOS recommended that:

- Individual accountability for the improprieties, irregularities and losses, as well as the lack of control in the procurement operations of the Mission, be determined for appropriate action, including invoking financial rule 114.1 for the recovery of losses, where justified;

- The Mission's Procurement Section be revamped, replacing officials of doubtful integrity and strengthening the receiving and inspection function;
- The Mission's internal controls be strengthened, in particular with regard to monitoring the processing of requisitions and management review of individual procurement actions.

35. *The Mission advised in December 1996 that it "believes that it has already looked into the circumstances surrounding the irregularities observed within its procurement operations and has provided two reports to Headquarters" and that "these reports included recommendations to the Field Administration and Logistics Division regarding individual procurement staff".*

36. *Regarding the recovery of losses, the Mission stated:*

> *"Procurement cases which have caused losses through irregularity and/or impropriety are referred to the Mission's board of inquiry and, where appropriate, board of inquiry findings are forwarded to the Local Property Survey Board for action. Currently [December 1996], the board of inquiry is looking into the irregularities observed within the procurement of quartering area supplies".*

The Department of Peacekeeping Operations indicated in April 1997 that, "should the Board assign responsibility for losses to any individual staff member, recovery action will be commenced immediately". The Department stated in August 1997 that, "as recommended by the UNAVEM commission, the recovery against the salary of a staff member and the termination of contract of another staff member were implemented". The Department further advised:

> *"A number of boards of inquiry have been established to review the circumstances of the procurement irregularities ... and the investigation and review of misconduct continues to be undertaken in order fully to determine the accountability of individuals for the purpose of instituting disciplinary proceedings".*

37. *Regarding the strengthening of the procurement and the receiving and inspection systems, as well as internal controls, in December 1996, the Mission indicated:*

> *"The Mission's Procurement Section has undergone significant change since the OIOS visit in June 1996 ... Thanks to swift personnel action by the Field Administration and Logistics Division and prudent redeployment within the Administration, a new Chief Procurement Officer and a fresh cadre of professional procurement officers have turned around an underperforming Section. The receiving and inspection function was transferred to the Supply and Property Management Section several months ago. We have also developed written procedures regarding receipt and inspection of goods delivered through Luanda or Pretoria. The new Chief Procurement Officer has introduced suitable and adequate measures that ensure the timely processing of requisitions. Procedures have been introduced within the Local Committee on Contracts to improve transparency within procurement decision-making and to ensure that all case files are comprehensive and complete. The terms of reference of the Senior Administrative Officer have been amended to include responsibility for management review functions".*

VI. Conclusion

38. OIOS appreciates the initiatives of the Mission and the Department of Peacekeeping Operations with regard to the audits of the procurement process in the Mission, their timely response to the audit findings and their actions for the implementation of the recommendations. While action on some of the issues has already been completed, thereby contributing to improvement in the procurement process, action on the remaining issues needs to be closely monitored for expeditious completion. OIOS continues to follow up on the implementation of its recommendations.

(*Signed*) Karl Th. **Paschke**
Under-Secretary-General for
Internal Oversight Services

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Financing of the United Nations Operation in Somalia

Report of the Secretary-General

Summary

The United Nations Operation in Somalia (UNOSOM) was established by the Security Council by its resolution 751 (1992) of 24 April 1992. By its resolution 954 (1994) of 4 November 1994, the Council extended the mandate of the Operation for a final period until 31 March 1995. The present report provides updated information on the disposition of the assets of UNOSOM contained in the report of the Secretary-General of 17 July 1995 (A/49/563/Add.4). The adjusted inventory value of the Operation's assets as at 11 May 1995 amounted to some $132.7 million. The disposition of assets has been guided by the principles endorsed by the General Assembly in section VII of its resolution 49/233 A of 23 December 1994. The action to be taken by the General Assembly, as set out in paragraph 10, is to take note of the report on the disposition of the assets of UNOSOM and to approve, as a matter of principle, the donation of assets to the Somali district councils, as indicated in annex IV to the present report.

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I. Introduction

1. The United Nations Operation in Somalia (UNOSOM) was established by the Security Council by its resolution 751 (1992) of 24 April 1992. By its resolution 954 (1994) of 4 November 1994, the Council extended the mandate of the Operation for a final period until 31 March 1995.

2. Initial proposals for the disposition of UNOSOM property were submitted to the General Assembly in the Secretary-General's report of 17 July 1995 (A/49/563/Add.4, annexes IV, V and VI). The present report provides updated information on the subject.

II. Classification and disposition of the assets of the United Nations Operation in Somalia

3. The disposition of the assets of peacekeeping operations is guided by the proposals of the Secretary-General contained in his report of 25 May 1994 (A/48/945 and Corr.1, para. 110) and the recommendations of the Advisory Committee on Administrative and Budgetary Questions in its report of 18 November 1994 (A/49/664 and Add.1). Those proposals were endorsed by the General Assembly in section VII of its resolution 49/233 A of 23 December 1994 as follows:

(a) Equipment in good condition that conforms to established standardization or is considered compatible with existing equipment will be redeployed to other United Nations operations elsewhere in the world or will be placed in reserve to form the start-up kits for use by future missions;

(b) Equipment not required by other peacekeeping missions but which may be useful for operations of other United Nations agencies, international organizations or non-governmental organizations and which it is not feasible to keep in reserve will be sold to relevant agencies or organizations;

(c) Any equipment or property not required or which it is not feasible to dispose of in the above manner or which is in poor condition will be subject to commercial disposal within the country, following standard United Nations regulations and procedures;

(d) Any surplus mission assets remaining after disposition under the terms referred to under paragraphs (a) to (c) above, and/or any assets which, if dismantled, would in fact set back the rehabilitation process of the country, will be contributed to the duly recognized Government of the respective country. This refers in particular to airfield installations and equipment, bridges and mine-clearing equipment. All efforts should be made to obtain from the Government its agreement to compensate the United Nations in a mutually acceptable form (contributions, services, tax exemption, etc.) for the residual value of any surplus mission assets installed in the country that could not be otherwise disposed of. The General Assembly should, as a matter of principle, be requested to approve any such disposition of mission assets that would provide for free-of-charge contribution to the Government.

4. The inventory value of all UNOSOM assets as at 11 May 1995, as indicated in the preliminary report on the disposition of the Operation's assets contained in the report of the Secretary-General of 17 July 1995 (A/49/563/Add.4), was estimated at approximately $132.4 million. Upon verification and reconciliation of the UNOSOM property records and original purchase prices, the total value of the Operation's property shown in annex I to the present report, column 15, has been adjusted to $132.7 million. The variations in the original asset values shown in column 17 of annex I are attributable to the reconciliation adjustments

and corrections due to the reclassification of assets for the purpose of their placement under the appropriate equipment category. Charts showing the distribution of the assets of UNOSOM by disposal action and equipment category are presented in figures 1 and 2, respectively, of annex VI to the present report.

5. In accordance with the previous report (A/49/563/Add.4), the Operation's assets have been placed into 12 general categories covering accommodation, air support and communications equipment, containers, defence stores, electronic data-processing equipment, fuel and water supply equipment, generators, hospital equipment, office equipment, prefabricated buildings and transportation and vehicular equipment.

6. In accordance with principles recalled in paragraph 3 above, the assets of UNOSOM have been classified into three groups, as shown in summarized form in annex I and described in detail in annexes II to IV:

(a) Group I shown in annex II, with an inventory value of $112.1 million (84.5 per cent of all assets), comprises assets transferred, at no cost, to the United Nations peacekeeping operations, the United Nations Logistics Base at Brindisi, Italy, or to activities financed under the United Nations regular budget;

(b) Group II shown in annex III includes assets valued at $1.5 million (1.1 per cent of the UNOSOM total asset value), which were transferred at cost to the United Nations agencies and programmes and to the Somali police and justice programme funded from the Trust Fund for Somalia;

(c) Group III presented in annex IV, with an inventory value of $1.1 million (0.8 per cent), consists of equipment vital for the support of local communities (accommodation structures and generators), which was donated to the Somali district councils certified by UNOSOM.

7. Owing to the prevailing security situation in Somalia at the time of the withdrawal of UNOSOM, no assets were disposed of commercially. Information on the UNOSOM assets with an inventory value of $18 million (13.6 per cent of the total assets value), which were written off owing to normal wear and tear, theft, abandoned because of acts of war and hostilities or lost (accidents, assets unaccounted for) is provided in annex V.

8. Based on the observation made by the Advisory Committee on Administrative and Budgetary Questions in paragraph 18 of its report of 7 April 1997 (A/51/861) on the financing of the United Nations Mission in Haiti (UNMIH) that the final disposition of assets should be reported by classifying assets in the same categories and in the same detail as when they were budgeted and approved, the present report provides, to the extent possible, the itemized information on the equipment procured for UNOSOM since its inception.

9. In accordance with the methodology for the accounting of assets set out in the report of the Secretary-General on the management of peacekeeping assets of 29 May 1996 (A/50/965), assets transferred to other peacekeeping operations, the United Nations Logistics Base and to activities financed under the United Nations regular budget are stated at their original values (see annex II). UNOSOM property transferred to the United Nations agencies and programmes that are not funded from assessed contributions (annex III) and assets donated and written off (annexes IV and V, respectively) are stated both at the original and depreciated values.

III. Action to be taken by the General Assembly at its fifty-second session

10. The action to be taken by the General Assembly at its fifty-second session is to take note of the report on the final disposition of the assets of UNOSOM and to approve donation of assets to the Somali district councils.

Annex I

Disposition of the assets of the United Nations Operation in Somalia: summary statement

(United States dollars)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
	Group I			Group II			Group III									
	Assets transferred to other peacekeeping operations, to the United Nations Logistics Base or to activities financed under the United Nations regular budget			Assets transferred to United Nations agencies and programmes and to the Somali police and justice programme			Assets donated to Somali communities			Assets written off			Total		Total as per A 49 563 Add 4	Difference (15)-(16)
Category of assets	Quantity	Value	Per cent of total	Quantity	Value	Per cent of total	Quantity	Value	Per cent of total	Quantity	Value	Per cent of total	Quantity	Value	Value	Value
Accommodation equipment	3 217	9 436 653	85 0	-	-	-	94	894 278	8 1	1 019	768 765	6 9	4 330	11 099 696	6 316 342	4 783 354
Air support equipment	105	1 501 284	100 0	-	-	-	-	-	-	-	-	-	105	1 501 284	941 284	560 000
Communications equipment	3 525	10 749 544	90 1	192	116 701	1 0	-	-	-	876	1 062 291	8 9	4 593	11 928 536	12 184 167	(255 631)
Containers	1 620	2 281 411	94 7	-	-	-	-	-	-	90	128 925	5 3	1 710	2 410 336	2 491 186	(80 850)
Defence stores	5 714	3 207 142	99 6	-	-	-	-		-	3	13 991	0 4	5 717	3 221 133	3 230 459	(9 326)
Electronic data-processing equipment	1 972	2 610 268	82 2	32	39 243	1 2	-	-	-	243	526 153	16 6	2 247	3 175 664	3 308 759	(133 095)
Fuel and water supply equipment	707	9 682 003	96 5	-	-	-	-	-	-	50	353 288	3 5	757	10 035 291	10 001 011	34 280
Generators	848	10 453 006	86 8	3	27 008	0 2	20	165 849	1 4	107	1 394 739	11 6	978	12 040 602	12 199 364	(158 762)
Hospital equipment	152	745 974	100 0	-	-	-	-	-	-	-	-	-	152	745 974	746 234	(260)
Office equipment	6 761	5 118 167	55 4	3	2 340	0 03	-	-	-	461	4 116 718	44 6	7 225	9 237 225	1 396 365	7 840 860
Prefabricated buildings	975	11 415 281	64 5	-	-	-	-	-	-	522	6 273 153	35 5	1 497	17 688 434	26 212 914	(8 524 480)
Transportation and vehicular equipment	2 877	44 931 280	90 6	152	1 289 348	2 6	-	-	-	139	3 383 513	6 8	3 178	49 604 141	53 393 854	(3 789 713)
Total	**28 473**	**112 132 013**	**84.5**	**382**	**1 474 640**	**1.1**	**114**	**1 060 127**	**0.8**	**3 520**	**18 021 536**	**13.6**	**32 489**	**132 688 316**	**132 421 939**	**266 377**

Annex II

Assets transferred to other peacekeeping operations, to the United Nations Logistics Base at Brindisi, Italy, or to activities financed under the United Nations regular budget [a]

(United States dollars)

Category of assets	MINURSO		ONUMOZ		UNAMIR/UNOMUR		UNAUR		UNASEM		UNEP		Subtotal carried over to next page	
	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity
Accommodation equipment	-	-	-	-	-	-	5 760 111	411	-	-	-	-	-	-	**5 760 111**	**411**
Air support equipment	-	-	-	-	-	-	17 400	100	-	-	-	-	-	-	**17 400**	**100**
Communications equipment																
UHF equipment	-	-	-	-	-	-	637 074	336	-	-	-	-	-	-	637 074	336
VHF equipment	-	-	-	-	-	-	468 766	640	-	-	-	-	4 095	9	472 861	649
HF equipment	-	-	-	-	-	-	62 918	14	-	-	-	-	-	-	62 918	14
Antenna	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Satellite equipment	-	-	130 968	1	-	-	1 423 350	16	-	-	221 747	22	-	-	1 676 065	39
Telephone equipment	31 354	7	48 900	1	6 144	3	611 814	86	-	-	93 621	27	-	-	791 833	124
Other communications equipment	43 926	3	3 941	2	1 902	1	555 478	121	11 054	3	-	-	-	-	616 301	130
Subtotal	75 279	10	183 809	4	8 046	4	3 659 400	1 213	11 054	3	315 368	49	4 095	9	**4 257 051**	**1 292**
Containers	-	-	-	-	-	-	708 059	485	-	-	-	-	-	-	708 059	485
Defence stores	-	-	-	-	-	-	502 672	129	-	-	-	-	-	-	502 672	129
Electronic data-processing equipment																
Desktop computer and monitor	-	-	1 045	1	-	-	247 112	169	-	-	-	-	-	-	248 157	170
Laptop computer	-	-	3 666	3	-	-	90 722	35	-	-	-	-	-	-	92 388	38
Printer	-	-	339	1	-	-	98 935	161	-	-	-	-	-	-	99 274	162
Server	-	-	-	-	-	-	249 141	9	-	-	-	-	-	-	249 141	9
Other EDP equipment	-	-	-	-	125 610	94	37 873	9	-	-	-	-	-	-	163 483	103
Subtotal	-	-	**3 050**	**3**	**125 610**	**94**	**723 783**	**385**	-	-	-	-	-	-	**852 443**	**482**
Fuel and water supply equipment	-	-	-	-	-	-	**2 834 247**	**305**	-	-	-	-	-	-	**2 834 247**	**305**
Generators	-	-	-	-	-	-	**1 604 793**	**169**	-	-	-	-	-	-	**1 604 793**	**169**
Hospital equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office equipment/supplies	-	-	-	-	-	-	**1 701 423**	**1 745**	**13 328**	**5**	-	-	-	-	**1 714 751**	**1 750**
Prefabricated buildings	-	-	-	-	-	-	**5 555 210**	**521**	-	-	-	-	-	-	**5 555 210**	**521**
Transportation and vehicular equipment																
Jeep 4x4	-	-	-	-	-	-	75 533	13	-	-	-	-	-	-	75 533	13
Ambulance	-	-	-	-	34 261	2	-	-	-	-	-	-	-	-	34 261	2
Sedan, light	-	-	-	-	15 841	2	407 871	32	-	-	-	-	-	-	423 712	34
Sedan, medium	-	-	-	-	-	-	2 637 819	254	-	-	-	-	-	-	2 637 819	254
Bus, light	-	-	-	-	-	-	357 598	41	-	-	-	-	-	-	357 598	41
Bus, medium	-	-	-	-	-	-	128 788	7	-	-	-	-	-	-	128 788	7
Pick-up, double-cabin	-	-	-	-	256 376	30	670 754	78	-	-	-	-	-	-	927 130	108
Pick-up, single-cabin	-	-	-	-	-	-	14 556	3	-	-	-	-	-	-	14 556	3
Panel van	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Truck, cargo	-	-	-	-	426 274	12	430 001	26	-	-	-	-	-	-	856 275	38
Trailer, fuel	-	-	-	-	-	-	111 000	7	-	-	-	-	-	-	111 000	7
Trailer, water	-	-	-	-	-	-	242 849	10	-	-	-	-	-	-	242 849	10
Other trailers and trucks	-	-	-	-	-	-	1 504 703	67	-	-	-	-	-	-	1 504 703	67
Fork-lift	-	-	-	-	-	-	601 546	6	-	-	-	-	-	-	601 546	6
Armoured vehicles	-	-	-	-	-	-	2 990 955	15	-	-	-	-	-	-	2 990 955	15
Spares and other equipment	-	-	-	-	-	-	944 373	35	-	-	-	-	-	-	944 373	35
Subtotal	-	-	-	-	**732 752**	**46**	**11 118 345**	**594**	-	-	-	-	-	-	**11 851 097**	**640**
Total	**75 279**	**10**	**186 859**	**7**	**866 408**	**144**	**34 185 443**	**6 057**	**24 382**	**8**	**315 368**	**49**	**4 095**	**9**	**35 657 834**	**6 284**

Category of assets	Subtotal carried over from previous page		UNHQ		UNIFIL		UNLB		UNMIH		UNMOT		Subtotal carried over to next page	
	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity
Accommodation equipment	**5 760 111**	**411**	-	-	-	-	**3 676 542**	**2 806**	-	-	-	-	**9 436 653**	**3 217**
Air support equipment	**17 400**	**100**	-	-	-	-	**1 483 884**	**5**	-	-	-	-	**1 501 284**	**105**
Communications equipment														
UHF equipment	637 074	336	59 707	69	-	-	338 286	385	4 055	5	-	-	1 039 122	795
VHF equipment	472 861	649	44 370	96	-	-	743 865	697	-	-	-	-	1 261 096	1 442
HF equipment	62 918	14	-	-	5 000	1	580 854	139	-	-	-	-	648 772	154
Antenna	-	-	-	-	-	-	7 027	9	-	-	-	-	7 027	9
Satellite equipment	1 676 065	39	366 786	15	-	-	604 836	3	-	-	-	-	2 647 687	57
Telephone equipment	791 833	124	1 500	1	-	-	518 821	155	575 924	16	2 048	1	1 890 126	297
Other communications equipment	616 301	130	77 747	12	-	-	2 077 114	549	89 626	9			2 860 787	700
Subtotal	**4 257 051**	**1 292**	**550 110**	**193**	**5 000**	**1**	**4 870 804**	**1 937**	**669 605**	**30**	**2 048**	**1**	**10 354 618**	**3 454**
Containers	708 059	485	-	-	-	-	**1 570 752**	**1 133**	-	-	-	-	**2 278 811**	**1 618**
Defence stores	502 672	129	-	-	-	-	**2 704 470**	**5 585**	-	-	-	-	**3 207 142**	**5 714**
Electronic data-processing equipment														
Desktop computer and monitor	248 157	170	8 782	2	-	-	643 664	434	1 045	1	-	-	901 648	607
Laptop computer	92 388	38	3 260	1	15 800	5	492 718	201	1 695	1	-	-	605 861	246
Printer	99 274	162	-	-	-	-	325 261	625	-	-	-	-	424 535	787
Server	249 141	9	-	-	-	-	128 321	43	-	-	-	-	377 462	52
Other EDP equipment	163 483	103	9 331	2	-	-			-	-	-	-	172 814	105
Subtotal	**852 443**	**482**	**21 373**	**5**	**15 800**	**5**	**1 589 964**	**1 303**	**2 740**	**2**	-	-	**2 482 320**	**1 797**
Fuel and water supply equipment	**2 834 247**	**305**	-	-	-	-	**6 847 755**	**402**	-	-	-	-	**9 682 003**	**707**
Generators	**1 604 793**	**169**	-	-	**160 603**	**7**	**8 666 835**	**669**	-	-	-	-	**10 432 232**	**845**
Hospital equipment	-	-	-	-	-	-	**745 974**	**152**	-	-	-	-	**745 974**	**152**
Office equipment/supplies	**1 714 751**	**1 750**	-	-	-	-	**3 403 416**	**5 011**	-	-	-	-	**5 118 167**	**6 761**
Prefabricated buildings	**5 555 210**	**521**	-	-	-	-	**5 860 071**	**454**	-	-	-	-	**11 415 281**	**975**
Transportation and vehicular equipment														
Jeep 4x4	75 533	13	-	-	-	-	532 483	104	-	-	-	-	608 016	117
Ambulance	34 261	2	-	-	-	-	300 392	37	-	-	-	-	334 653	39
Sedan, light	423 712	34	-	-	-	-	380 716	57	-	-	-	-	804 428	91
Sedan, medium	2 637 819	254	-	-	-	-	487 955	26	-	-	-	-	3 125 774	280
Bus, light	357 598	41	-	-	-	-	568 005	66	-	-	-	-	925 602	107
Bus, medium	128 788	7	-	-	-	-	18 483	1	-	-	-	-	147 272	8
Pick-up, double-cabin	927 130	108	-	-	-	-	2 015 076	241	-	-	-	-	2 942 206	349
Pick-up, single-cabin	14 556	3	-	-	-	-	1 771 436	342	-	-	-	-	1 785 992	345
Panel van	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Truck, cargo	856 275	38	-	-	-	-	2 480 099	103	-	-	-	-	3 336 374	141
Trailer, fuel	111 000	7	-	-	-	-	54 349	29	-	-	-	-	165 349	36
Trailer, water	242 849	10	-	-	-	-	36 976	48	-	-	-	-	279 824	58
Other trailers and trucks	1 504 703	67	-	-	-	-	9 728 795	365	-	-	-	-	11 233 498	432
Fork-lift	601 546	6	-	-	-	-	2 894 831	55	-	-	-	-	3 496 377	61
Armoured vehicles	2 990 955	15	-	-	-	-	87 500	1	-	-	-	-	3 078 455	16
Spares and other equipment	944 373	35	-	-	-	-	9 772 191	686	-	-	-	-	10 716 563	721
Subtotal	**11 851 097**	**640**	-	-	-	-	**31 129 286**	**2 161**	-	-	-	-	**42 980 383**	**2 801**
Total	**35 657 834**	**6 284**	**571 483**	**198**	**181 403**	**13**	**72 549 753**	**21 618**	**672 345**	**32**	**2 048**	**1**	**109 634 866**	**28 146**

Category of assets	Subtotal carried over from previous page		UNOMIG		UNOMIL		UNPROFOR		UNSD		UNTSO		Total	
	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity
Accommodation equipment	**9 436 653**	**3 217**	-	-	-	-	-	-	-	-	-	-	**9 436 653**	**3 217**
Air support equipment	**1 501 284**	**105**	-	-	-	-	-	-	-	-	-	-	**1 501 284**	**105**
Communications equipment														
UHF equipment	1 039 122	795	-	-	-	-	-	-	-	-	-	-	1 039 122	795
VHF equipment	1 261 096	1 442	-	-	57 975	25	-	-	-	-	-	-	1 319 071	1 467
HF equipment	648 772	154	-	-	-	-	-	-	-	-	-	-	648 772	154
Antenna	7 027	9	-	-	-	-	-	-	-	-	-	-	7 027	9
Satellite equipment	2 647 687	57	-	-	-	-	-	-	-	-	130 968	1	2 778 655	58
Telephone equipment	1 890 126	297	4 250	2	124 528	20	-	-	18 804	7	23 104	8	2 060 812	334
Other communications equipment	2 860 787	700	18 520	4	13 300	2	1 600	1	-	-	1 878	1	2 896 085	708
Subtotal	**10 354 618**	**3 454**	**22 770**	**6**	**195 803**	**47**	**1 600**	**1**	**18 804**	**7**	**155 950**	**10**	**10 749 545**	**3 525**
Containers	**2 278 811**	**1 618**	-	-	-	-	**2 600**	**2**	-	-	-	-	**2 281 411**	**1 620**
Defence stores	**3 207 142**	**5 714**	-	-	-	-	-	-	-	-	-	-	**3 207 142**	**5 714**
Electronic data-processing equipment														
Desktop computer and monitor	901 648	607	-	-	-	-	-	-	-	-	-	-	901 648	607
Laptop computer	605 861	246	-	-	-	-	-	-	68 498	25	-	-	674 359	271
Printer	424 535	787	-	-	-	-	-	-	59 450	150	-	-	483 985	937
Server	377 462	52	-	-	-	-	-	-	-	-	-	-	377 462	52
Other EDP equipment	172 814	105	-	-	-	-	-	-	-	-	-	-	172 814	105
Subtotal	**2 482 320**	**1 797**	-	-	-	-	-	-	**127 948**	**175**	-	-	**2 610 268**	**1 972**
Fuel and water supply equipment	**9 682 003**	**707**	-	-	-	-	-	-	-	-	-	-	**9 682 003**	**707**
Generators	**10 432 232**	**845**	-	-	-	-	-	-	-	-	**20 774**	**3**	**10 453 006**	**848**
Hospital equipment	**745 974**	**152**	-	-	-	-	-	-	-	-	-	-	**745 974**	**152**
Office equipment/supplies	**5 118 167**	**6 761**	-	-	-	-	-	-	-	-	-	-	**5 118 167**	**6 761**
Prefabricated buildings	**11 415 281**	**975**	-	-	-	-	-	-	-	-	-	-	**11 415 281**	**975**
Transportation and vehicular equipment														
Jeep 4x4	608 016	117	-	-	-	-	-	-	-	-	-	-	608 016	117
Ambulance	334 653	39	-	-	-	-	-	-	-	-	-	-	334 653	39
Sedan, light	804 428	91	23 762	3	-	-	-	-	-	-	-	-	828 190	94
Sedan, medium	3 125 774	280	-	-	168 798	19	21 655	3	-	-	-	-	3 316 227	302
Bus, light	925 602	107	-	-	-	-	-	-	-	-	-	-	925 602	107
Bus, medium	147 272	8	-	-	-	-	-	-	-	-	-	-	147 272	8
Pick-up, double-cabin	2 942 206	349	-	-	8 377	1	-	-	-	-	-	-	2 950 583	350
Pick-up, single-cabin	1 785 992	345	-	-	-	-	-	-	-	-	-	-	1 785 992	345
Panel van	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Truck, cargo	3 336 374	141	-	-	-	-	1 473 965	34	-	-	-	-	4 810 339	175
Trailer, fuel	165 349	36	-	-	-	-	-	-	-	-	-	-	165 349	36
Trailer, water	279 824	58	-	-	-	-	-	-	-	-	-	-	279 824	58
Other trailers and trucks	11 233 498	432	420	14	-	-	-	-	-	-	-	-	11 233 918	446
Fork-lift	3 496 377	61	253 922	2	-	-	-	-	-	-	-	-	3 750 299	63
Armoured vehicles	3 078 455	16	-	-	-	-	-	-	-	-	-	-	3 078 455	16
Spares and other equipment	10 716 563	721	-	-	-	-	-	-	-	-	-	-	10 716 563	721
Subtotal	**42 980 383**	**2 801**	**278 104**	**19**	**177 175**	**20**	**1 495 620**	**37**	-	-	-	-	**44 931 282**	**2 877**
Total	**109 634 866**	**28 146**	**300 874**	**25**	**372 978**	**67**	**1 499 820**	**40**	**146 752**	**182**	**176 724**	**13**	**112 132 013**	**28 473**

(Footnotes on following page)

(Footnotes to table)

[a] Abbreviations used in the table:

MINUGUA	United Nations Verification Mission in Guatemala
MINURSO	United Nations Mission for the Referendum in Western Sahara
ONUMOZ	United Nations Operation in Mozambique
UNAMIR	United Nations Assistance Mission in Rwanda
UNOMUR	United Nations Observer Mission in Uganda-Rwanda
UNAUB	United Nations Administrative Unit in Baghdad
UNAVEM	United Nations Angola Verification Mission
UNEP	United Nations Environment Programme
UNHQ	United Nations Headquarters, New York
UNIFIL	United Nations Interim Force in Lebanon
UNLB	United Nations Logistics Base, Brindisi
UNMIH	United Nations Mission in Haiti
UNMOT	United Nations Mission of Observers in Tajikistan
UNOMIG	United Nations Observer Mission in Georgia
UNOMIL	United Nations Observer Mission in Liberia
UNPROFOR	United Nations Protection Force
UNSD	United Nations Supply Depot, Pisa
UNTSO	United Nations Truce Supervision Organization

Annex III

Assets transferred to United Nations agencies and programmes and to the Somali police and justice programme

(United States dollars)

Category of assets	United Nations agencies and programmes			Police and justice programme			Total		
	Original value	Depreciated value	Quantity	Original value	Depreciated value	Quantity	Original value	Depreciated value	Quantity
Accommodation equipment	-	-	-	-	-	-	-	-	-
Air support equipment	-	-	-	-	-	-	-	-	-
Communications equipment									
UHF equipment	-	-	-	-	-	-	-	-	-
VHF equipment	16 540	13 563	8	87 876	87 876	157	104 416	101 439	165
HF equipment	12 285	7 951	27	-	-	-	12 285	7 951	27
Antenna	-	-	-	-	-	-	-	-	-
Satellite equipment	-	-	-	-	-	-	-	-	-
Telephone equipment	-	-	-	-	-	-	-	-	-
Other communications equipment	-	-	-	-	-	-	-	-	-
Subtotal	**28 825**	**21 514**	**35**	**87 876**	**87 876**	**157**	**116 701**	**109 390**	**192**
Containers	-	-	-	-	-	-	-	-	-
Defence stores	-	-	-	-	-	-	-	-	-
Electronic data-processing equipment									
Desktop computer and monitor	25 550	14 845	17	-	-	-	25 550	14 845	17
Laptop computer	2 065	1 033	1	-	-	-	2 065	1 033	1
Printer	11 628	8 699	14	-	-	-	11 628	8 699	14
Server	-	-	-	-	-	-	-	-	-
Other EDP equipment	-	-	-	-	-	-	-	-	-
Subtotal	**39 243**	**24 577**	**32**	**-**	**-**	**-**	**39 243**	**24 577**	**32**
Fuel and water supply equipment	-	-	-	-	-	-	-	-	-
Generators	**27 008**	**21 906**	**3**	**-**	**-**	**-**	**27 008**	**21 906**	**3**
Hospital equipment	-	-	-	-	-	-	-	-	-
Office equipment/supplies	**2 340**	**1 570**	**3**	**-**	**-**	**-**	**2 340**	**1 570**	**3**
Prefabricated buildings	-	-	-	-	-	-	-	-	-
Transportation and vehicular equipment									
Jeep 4x4	-	-	-	1 189 472	1 189 472	142	1 189 472	1 189 472	142
Ambulance	-	-	-	-	-	-	-	-	-
Sedan, light	45 922	22 737	4	-	-	-	45 922	22 737	4
Sedan, medium	-	-	-	-	-	-	-	-	-
Bus, light	26 372	14 211	3	-	-	-	26 372	14 211	3
Bus, medium	-	-	-	-	-	-	-	-	-
Pick-up, double-cabin	-	-	-	-	-	-	-	-	-
Pick-up, single-cabin	-	-	-	-	-	-	-	-	-
Panel van	-	-	-	-	-	-	-	-	-
Truck, cargo	-	-	-	27 582	27 582	3	27 583	27 582	3
Trailer, fuel	-	-	-	-	-	-	-	-	-
Trailer, water	-	-	-	-	-	-	-	-	-
Fork-lift	-	-	-	-	-	-	-	-	-
Spares and other equipment	-	-	-	-	-	-	-	-	-
Subtotal	**72 294**	**36 948**	**7**	**1 217 054**	**1 217 054**	**145**	**1 289 348**	**1 254 001**	**152**
Total	**169 710**	**106 514**	**80**	**1 304 930**	**1 304 930**	**302**	**1 474 640**	**1 411 444**	**382**

Annex IV

Assets donated to Somali communities

(United States dollars)

Category of assets	*Original value*	*Depreciated value*	*Quantity*
Accommodation equipment	**894 278**	**577 491**	**94**
Air support equipment	-	-	-
Communications equipment	-	-	-
Containers	-	-	-
Defence stores	-	-	-
Electronic data-processing equipment	-	-	-
Fuel and water supply equipment	-	-	-
Generators	**165 849**	**108 420**	**20**
Hospital equipment	-	-	-
Office equipment/supplies	-	-	-
Prefabricated buildings	-	-	-
Transportation and vehicular equipment	-	-	-
Total	**1 060 127**	**685 911**	**114**

Annex V

Written-off assets

(United States dollars)

Category of assets	Normal wear and tear			Theft			Lost			Abandoned			Total		
	Original value	Depreciated value	Quantity	Original value	Depreciated value	Quantity	Original value	Depreciated value	Quantity	Original value	Depreciated value	Quantity	Original value	Depreciated value	Quantity
Accommodation equipment	**122 304**	**65 310**	**242**	**174 569**	**93 704**	**104**	**178 686**	**316 431**	**131**	**293 207**	**156 573**	**542**	**768 765**	**632 017**	**1 019**
Air support equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Communications equipment															
UHF equipment	-	-	-	37 560	24 531	39	27 789	19 500	31	-	-	-	65 349	44 031	70
VHF equipment	-	-	-	58 545	47 628	162	266 608	134 064	456	37 775	7 350	25	362 928	189 042	643
HF equipment	-	-	-	26 798	12 918	6	155 374	100 200	30	12 660	6 680	2	194 832	119 798	38
Antenna	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Satellite equipment	-	-	-	130 968	69 937	1	-	-	-	51 529	27 516	3	182 497	97 453	4
Telephone equipment	-	-	-	70 210	37 492	2	71 999	68 896	32	-	-	-	142 209	106 388	34
Other communications equipment	47 318	25 268	26	17 949	9 585	18	35 502	18 958	26	13 707	7 320	17	114 476	61 130	87
Subtotal	**47 318**	**25 268**	**26**	**342 030**	**202 091**	**228**	**557 272**	**341 618**	**575**	**115 671**	**48 866**	**47**	**1 062 291**	**617 843**	**876**
Containers	-	-	-	-	-	-	**27 000**	-	**9**	**101 925**	-	**81**	**128 925**	-	**90**
Defence stores	-	-	-	-	-	-	**13 991**	-	**3**	-	-	-	**13 991**	-	**3**
Electronic data-processing equipment															
Desktop computer and monitor	93 094	57 664	68	25 530	14 416	17	10 250	5 936	7	8 850	5 088	6	137 724	83 104	98
Laptop computer	2 100	597	1	72 995	17 313	29	101 073	27 462	46	2 065	597	1	178 233	45 969	77
Printer	425	213	1	17 670	13 574	35	6 194	4 676	17	5 907	5 725	14	30 196	24 188	67
Server	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other EDP equipment	-	-	-	180 000	86 400	1	-	-	-	-	-	-	180 000	86 400	1
Subtotal	**95 619**	**58 474**	**70**	**296 195**	**131 703**	**82**	**117 517**	**38 074**	**70**	**16 822**	**11 410**	**21**	**526 153**	**239 661**	**243**
Fuel and water supply equipment	-	-	-	**28 850**	**15 694**	**22**	**205 022**	-	**6**	**119 416**	-	**22**	**353 288**	**15 694**	**50**
Generators	**93 154**	**39 378**	**9**	**358 826**	**171 929**	**25**	**87 349**	**61 146**	**10**	**855 410**	**481 085**	**63**	**1 394 739**	**753 537**	**107**
Hospital equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prefabricated buildings	-	-	-	-	-	-	-	-	-	**6 273 153**	**4 040 802**	**522**	**6 273 153**	**4 040 802**	**522**
Office equipment/supplies	**110 859**	**56 072**	**63**	**3 853 210**	**1 948 954**	**106**	**34 570**	**15 870**	**69**	**118 079**	**59 724**	**223**	**4 116 718**	**2 080 620**	**461**

Category of assets	Normal wear and tear			Theft			Lost			Abandoned			Total		
	Original value	Depreciated value	Quantity	Original value	Depreciated value	Quantity	Original value	Depreciated value	Quantity	Original value	Depreciated value	Quantity	Original value	Depreciated value	Quantity
Transportation and vehicular equipment															
Jeep 4x4	10 211	5 902	2	-	-	-	-	-	-	-	-	-	10 211	5 902	2
Ambulance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sedan, light	9 264	3 456	1	7 921	3 456	1	-	-	-	-	-	-	17 185	6 912	2
Sedan, medium	165 854	55 296	16	321 010	198 996	28	8 884	7 107	1	-	-	-	495 748	261 399	45
Bus, light	35 163	28 132	4	66 935	56 264	8	-	-	-	-	-	-	102 098	84 396	12
Bus, medium	-	-	-	16 363	9 458	1	-	-	-	-	-	-	16 363	9 458	1
Pick-up, double-cabin	122 316	53 760	16	67 012	26 880	8	-	-	-	-	-	-	185 328	80 640	24
Pick-up, single-cabin	5 266	2 178	1	35 797	15 246	7	-	-	-	-	-	-	41 063	17 424	8
Panel van	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Truck, cargo	139 988	96 382	5	255 690	176 043	7	-	-	-	-	-	-	395 678	272 424	12
Trailer, fuel	-	-	-	194 156	76 500	6	-	-	-	-	-	-	194 156	76 500	6
Trailer, water	-	-	-	25 317	17 431	1	-	-	-	-	-	-	25 317	17 431	1
Other trucks and trailers	18 460	12 710	4	734 273	505 547	13	-	-	-	-	-	-	752 733	518 257	17
Fork-lift	580 328	399 556	4	-	-	-	-	-	-	-	-	-	580 328	399 556	4
Armoured vehicles	204 789	90 107	1	-	-	-	-	-	-	-	-	-	204 789	90 107	1
Spares and other equipment	352 298	158 534	7	5 154	2 319	5	1 064	541	2	-	-	-	358 516	161 394	14
Subtotal	**1 643 937**	**906 012**	**61**	**1 729 628**	**1 088 139**	**85**	**9 948**	**7 648**	**3**	-	-	-	**3 383 513**	**2 001 800**	**149**
Total	**2 113 191**	**1 150 514**	**471**	**6 783 308**	**3 652 214**	**652**	**1 231 354**	**780 787**	**876**	**7 893 683**	**4 798 459**	**1 521**	**18 021 536**	**10 381 974**	**3 520**

Annex VI

Distribution of assets of the United Nations Operation in Somalia by disposal action and equipment category

Figure 1. Distribution of assets by disposal action

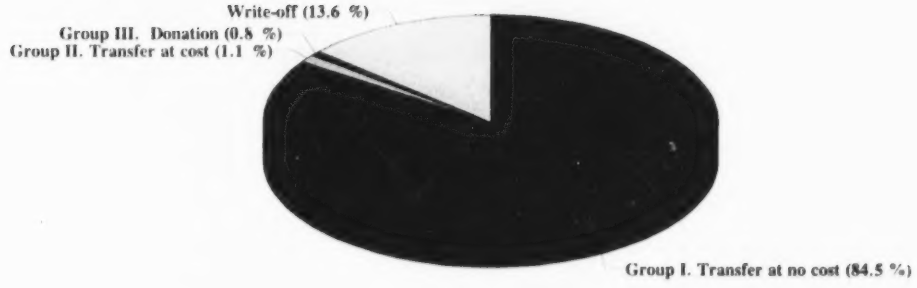
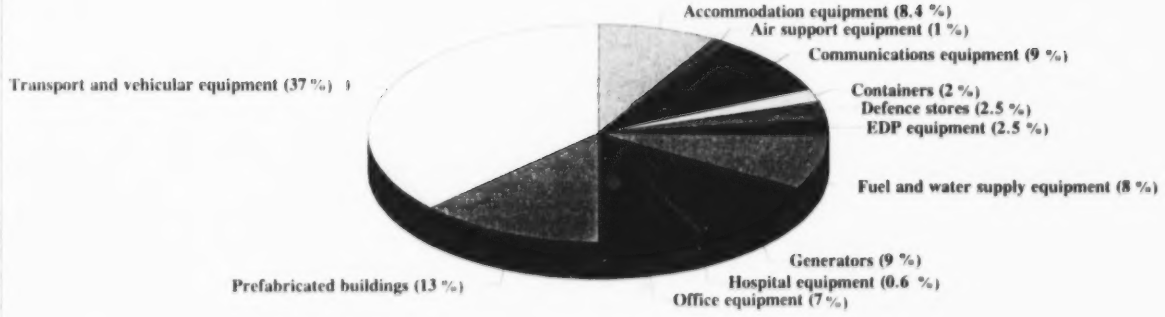


Figure 2. Distribution of assets by equipment category


Accommodation equipment (8.4 %)
Air support equipment (1 %)
Communications equipment (9 %)
Containers (2 %)
Defence stores (2.5 %)
EDP equipment (2.5 %)
Fuel and water supply equipment (8 %)
Generators (9 %)
Hospital equipment (0.6 %)
Office equipment (7 %)
Prefabricated buildings (13 %)
Transport and vehicular equipment (37 %)